

Brent J Fields
Secretary
U.S. Securities & Exchange Commission
100 F Street, NE
Mail Stop 1090
Washington, D.C. 20549

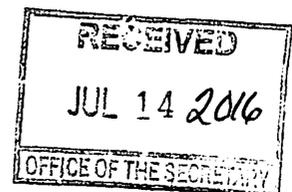
Received
JUL 14 2016
Office of Administrative
Law Judges

In the Matter of: Russell C Schalk Jr
Administrative Proceeding File No.: 3-16498
July 13, 2016

Dear Secretary Fields:

In accordance with the Commission's order of July 7, 2016, this brief will serve, for the record, as my "motion to correct a manifest error of fact". I now realize that this is the documentation I should have filed within ten days of the ALJ's initial decision, as opposed to a "petition for review". At the time, I did not understand the proper procedure, and filed the petition erroneously.

There are errors I have already addressed in past correspondence, namely in my May 16, 2016 brief, and are currently on record with the Commission. There are other errors of fact that I feel weighed in to the February 10, 2016 initial decision.



- 1) The Commission contends that I continue to operate Raintree Thoroughbred Farm. Operation of Raintree Thoroughbred Farm was suspended immediately upon receipt of the Commission's Order Instituting Proceedings on April 17, 2015. A final, closing Federal and State tax return for 2015 was prepared by Attorney Bruce Carter during March 2016. In addition, operation of Raintree Racing was ceased in 2012, and a final tax return was prepared by Mr. Carter in 2013 for the calendar year 2012. Letters from Mr. Carter attesting to these facts are enclosed. (See attachments "A" & "B").
- 2) The ALJ's February 10, 2016 initial decision supports the fact that, at the time of my October 8, 2015 reply to the Commission's ruling opposing my inability to pay, my employer had loaned me \$16,250. However, since that time, due to poor market conditions, I was forced to request an additional [REDACTED] from my employer, bringing my outstanding loan [REDACTED] [REDACTED]. Support for this loan was provided in my May 16, 2016 brief, and should be corrected for the record.

In addition to the above, I stand by my earlier submissions, and attest as accurate and truthful the facts as they relate to the following in relation to the ALJ's initial decision.

- 3) My current [REDACTED], and the fact that my high monthly [REDACTED], and not that I am [REDACTED].
- 4) My [REDACTED] as outlined on my most recent Financial Disclosure Statement, and on file with the Commission, is not due to extravagant spending as evidenced by the additional support I earlier provided.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Russell C. Schalk Jr." The signature is written in a cursive style with a prominent initial 'R' and a long, sweeping underline.

Russell C Schalk Jr

 James E Grimes, Administrative Law Judge

Cc: John J Bowers, Asst. Chief Litigation Counsel, Division of
Enforcement

Cc: Eugene Bull, Asst. Chief Litigation Counsel, Division of Enforcement

Attachment "A"

Bruce R. Carter

Attorney-at-Law

P O Box 510 Reisterstown, MD 21136
Phone: 410-833-8460 Fax: 410-833-1100

July 13, 2016

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Mail Stop 1090
Washington, DC 20549

Re: Raintree Thoroughbred Farm, Inc.

Dear Mr. Fields:

This letter is to state that a "Final Return" for the above-stated corporation (Form 1120-S) was filed during March, 2016 for the calendar year of 2015. This return had no numerical entries and reflected that the corporation is out of business and conducted no business in 2015.

I am the tax return preparer for the above-stated return and for previous years' tax returns.

Sincerely,



Bruce R. Carter

Attachment "B"

Bruce R. Carter

Attorney-at-Law

P O Box 510 Reisterstown, MD 21136
Phone: 410-833-8460 Fax: 410-833-1100

July 13, 2016

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Mail Stop 1090
Washington, DC 20549

Re: Raintree Racing, LLC

Dear Mr. Fields:

This letter is to state that a "Final Return" for the above-stated limited liability company (Form 1065) was filed in 2013 for the calendar year of 2012. This return had limited numerical entries and reflected that the LLC is out of business and conducted no business in 2012.

I am the tax return preparer for the above-stated return and for previous years' tax returns.

Sincerely,



Bruce R. Carter